

U.S.A. tax plan would not be deductible. The principle reasons why this deductibility is denied are twofold: first under GATT rules, our Nation can not provide wage deductions while also providing, in essence, an excise tax on imports and second to provide wage deductibility and still maintain revenue neutrality the business rates would have to be raised significantly from the 11 percent flat rate we propose.

While this conclusion seems necessary, the wage nondeductibility issue is going to have to be thought through very carefully. Attaining a level playing field in international trade is a very important goal and to achieve it would be a sea change in U.S. tax policy. The same would be true to deny wage deductions to businesses. However, on this latter point, businesses need to keep in mind that the business rates proposed in the U.S.A. tax plan are much, much lower than today's business tax rates. In fact, they would be less than one-third of today's rates, yet these rates raise the same amount of revenue for the Federal Government as is raised today. It is also important to keep in mind that under our proposal, businesses would receive a credit for the employer share of Social Security taxes paid. So the effective business tax rate on wages paid up to the \$62,000 Social Security tax wage limit would be 11 percent less 7.65 percent paid in FICA taxes, or just 3.35 percent.

Mr. President, in conclusion, the U.S.A. tax plan would promote U.S. competitiveness and level the international playing field for American business by implementing a territorial and border adjustable business tax. All goods, whether produced here or abroad, sold in the United States will bear the same U.S. tax burden. And U.S. exports, which are generally subject to a value-added tax when they are sold in foreign markets, would no longer be subject to a U.S. corporate income tax on top of that. It's time we had a Tax Code that works for us, not against us, and the U.S.A. plan, for this and many other reasons, provides the answers.

CRS REPORT ON ENVIRONMENTAL TOBACCO SMOKE

Mr. FORD. Mr. President, on November 14, 1995, the Congressional Research Services issued a report authored by C. Stephen Redhead and Richard E. Rowberg entitled *Environmental Tobacco Smoke and Lung Cancer Risk*. This report was prepared in response to multiple requests from congressional offices and presents an analysis of the potential health effects of environmental tobacco smoke [ETS].

Consistent with statutory requirements for CRS work, this report was prepared in a nonpartisan, unbiased manner and is an excellent example of the professional and academic quality of CRS work. The report calls into question some of the findings of the Environmental Protection Agency with

regard to ETS. Not surprisingly, some of the conclusions contained in the report have proven controversial.

Subsequent to the release of the report, one of the authors of the report made statements to the press regarding the conclusions of the report. Reports of the author's statements have appeared in several newspapers. It appears that his statements have been either misconstrued or taken out of context in an apparent attempt to discredit the results of the report.

In a letter to me, dated March 19, 1996, Daniel P. Mulhollan, Director, CRS, clarified that, based on conversations with the author, news reports were either misleading or inaccurate. Further, Mr. Mulhollan stated that CRS continues to stand by the findings of the report.

I ask unanimous consent that a copy of this letter from Dan Mulhollan, dated March 19, 1996, be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, March 19, 1996.

Hon. WENDELL H. FORD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FORD: This is in response to the questions you raised yesterday concerning an article that appeared last month in the *Kitchener-Waterloo* record about the CRS report, *Environmental Tobacco Smoke and Lung Cancer Risk*. Based on my conversations with the analysts involved, the article was misleading and inaccurate. I can assure you that we continue to stand by the findings of the report.

I am advised that the article contains three specific statements about the content of the report which were attributed to one of its authors. First, it states that the report "does not dispute the claim that second-hand smoke is a known, class A (human) carcinogen." In fact the report takes no position regarding the Environmental Protection Agency's classification of ETS as a class A carcinogen. The relevant sections in the report appear on page 1 (paragraph 3) and the last two paragraphs on page 16.

The article also states that the "number of [ETS] deaths...likely ranges anywhere from several hundred to several thousand a year in the United States." The report cited several possible values ranging from zero to as high as 5,500 depending on the level of risk selected from those appearing in the published literature (see page 2, paragraph 2).

Finally, the article states that the CRS report attempted to "point out the uncertainties of determining what level of exposure to ETS is likely to cause cancer." This statement is misleading and incorrect. The report presents an analysis of the uncertainties in performing a quantitative risk assessment of the ETS-lung cancer risk using epidemiologic data.

Notwithstanding any comments that have appeared in this or any other press articles or other published comments about the CRS report, we have not changed our position on any of its findings. We also believe that these findings are clearly expressed in the report.

I am also enclosing a copy of a March 18 letter from the Acting Chief of the Science Policy Research Division that was E-mailed to Ms. Martha Perske. The letter states that

we have not changed our position on any of the findings of the report on ETS.

Sincerely,

DANIEL P. MULHOLLAN,
Director.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FRAHM). Without objection, it is so ordered.

RELATIVE TO CAMBODIA HUMAN RIGHTS RECORD

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 629, Senate Resolution 285.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 285) expressing the sense of the Senate that the Secretary of State should make improvements in Cambodia's record on human rights, the environment, narcotics trafficking and the Royal Government of Cambodia's conduct among the primary objectives in our bilateral relations with Cambodia.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations, with amendments:

(The part of the resolution intended to be stricken are shown in boldface brackets and the parts of the resolution intended to be inserted are shown in italic.)

[ers, and helped finance both the Royal Cambodian Armed Forces and the Khmer Rouge in their civil war; and

[Whereas the desire to cite Cambodia United Nations peacekeeping success story has stifled official international expressions of concern about deteriorating conditions in Cambodia: Now, therefore, be it]

Whereas the Paris Peace Accords of 1991 and the successful national elections of 1993 brought two decades of civil war nearer to cessation, demonstrated the commitment of the Cambodian people to democracy and stability, and led to the creation of a national constitution guaranteeing fundamental human rights;

Whereas since 1991 the international community has contributed almost \$2 billion to peacekeeping and national reconstruction in Cambodia and currently provides over 40 percent of the budget of the Royal Government of Cambodia (RGC);

Whereas recent events in Cambodia—including the arrest and exile of former Foreign Minister Prince Sirivudh, the expulsion of former Finance Minister Sam Rainsy from the FUNCINPEC Party and the National Assembly, a grenade attack against members of the independent Buddhist Liberal Democratic Party of Cambodia, mob attacks against pro-opposition newspapers, the assassination of journalist and Khmer National Party member Thun Bunly,

and harassment of other journalists—suggest that Cambodia is sliding back into a pattern of violence and repression;

Whereas the RGC has failed to investigate fully incidents of political violence and prosecute the perpetrators;

Whereas, the RGC, without appropriate prior consultation with the Cambodian Parliament and despite protestations from Cambodians residing both inside the country and overseas, has obtained from King Sihanouk an amnesty for Ieng Sary, the former deputy Prime Minister of the Khmer Rouge and brother-in-law of Khmer Rouge leader Pol Pot during the period when the Khmer Rouge murdered as many as two million innocent Cambodians;

Whereas that amnesty may allow Ieng Sary to fully reintegrate into Cambodian society and from a political party that may participate in upcoming elections;

Whereas, Ieng Sary has disavowed any responsibility for the genocide perpetrated by the Khmer Rouge against the Cambodian people;

Whereas, the Cambodian Genocide Justice Act states that it is the policy of the United States to support efforts to bring to justice members of the Khmer Rouge for their crimes against humanity, and in circumstances which the President deems appropriate, to encourage the establishment of a national or international criminal tribunal for the prosecution of those accused of genocide in Cambodia and to provide such national or international tribunal with relevant information;

Whereas, rampant corruption in the RGC has emerged as a major cause of public dissatisfaction, which—when expressed by politicians and the press—has resulted in government crack-downs;

Whereas, Cambodia has been added to the Department of State's list of major narcotics trafficking countries, though Cambodia has been certified by the President as cooperating fully with the United States or taking adequate steps on its own to achieve full compliance with the goals and objectives established by the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances;

Whereas, the RGC—in contravention to the Cambodian Constitution—has sanctioned massive deforestation and timber exploitation which has devastated the environment, endangered the livelihoods of many of the country's farmers; and

Whereas, illegal logging has helped finance both the Royal Cambodian Armed Forces and the Khmer Rouge in their civil war: Now, therefore, be it

Resolved, [That it is the sense of the Senate that—

[(1) among the primary objectives in U.S. policy toward Cambodia should be improvements in Cambodia's human rights conditions, environmental and narcotics trafficking record, and the RGC's conduct;

[(2) the Secretary of State should closely monitor preparations for upcoming Cambodian elections in 1997 and 1998 and should attempt to secure the agreement of the RGC to full and unhindered participation of international observers for those elections to ensure that those elections are held in a free and fair manner complying with international standards;

[(3) the Secretary of State should support the continuation of human rights monitoring in Cambodia by the United Nations, including monitoring through the office of the United Nations Center for Human Rights in Phnom Penh and monitoring by the Special Representative of the United Nations Secretary General for Human Rights in Cambodia; and

[(4) the Secretary of State should encourage Cambodia's other donors and trading partners to raise concerns with the RGC over Cambodia's human rights, environmental, narcotics trafficking, and governmental conduct.]

That it is the sense of the Senate that:

(1) among the primary objectives in U.S. policy toward Cambodia should be enforcement of the Cambodian Genocide Justice Act, improvements in Cambodia's human rights conditions, environmental and narcotics trafficking record, and the RGC's conduct;

(2) in compliance with the Cambodian Genocide Justice Act, the United States should support efforts to bring to justice members of the Khmer Rouge for their crimes against humanity, and that the President deem it appropriate to encourage the establishment of a national or international criminal tribunal for the prosecution of Ieng Sary and to provide that tribunal with any information available on Ieng Sary's alleged involvement in the Cambodian genocide;

(3) the Secretary of State should closely monitor preparations for upcoming Cambodian elections in 1997 and 1998 to ensure that those elections are held in a free and fair manner in compliance with international standards, and toward that end should attempt to secure the agreement of the RGC to full and unhindered participation of international observers for those elections;

(4) the Secretary of State should support the continuation of human rights monitoring in Cambodia by the United Nations, including monitoring through the office of the United Nations Center for Human Rights in Phnom Penh and monitoring by the Special Representative of the United Nations Secretary General for Human Rights in Cambodia; and

(5) the Secretary of State should encourage Cambodia's other donors and trading partners to raise concerns with the RGC over Cambodia's record on human rights, the environment, narcotics trafficking and governmental conduct.

Mrs. FEINSTEIN. Madam President, I am pleased that the Senate is acting today on Senate Resolution 285 with respect to Cambodia. I want to briefly outline why the distinguished chairman of the Senate Finance Committee, Senator ROTH, and I offered this resolution with respect to Cambodia, and why we feel it is important.

On September 12, the House of Representatives passed H.R. 1642, as amended by the Senate, extending most-favored-nation trading status to Cambodia. The legislation now awaits the President's signature, which is expected.

That is as it should be. Cambodia has made tremendous strides since the signing of the Paris Peace Accords in 1991. The granting of MFN status is an important way of recognizing that Cambodia is emerging from the violence and repression that plagued its past. The United States can help Cambodia continue in its path of normalization and development by engaging it in a free and open trade relationship.

But the extension of MFN status to Cambodia should not be misconstrued as a signal that we no longer have concerns about the conduct of the Royal Government of Cambodia [RGC]. Indeed, while the U.N.-sponsored elections of 1993 blew the air of freedom and democracy through Cambodia, recent events suggest that the RGC may be sliding backward in its safeguarding of these principles.

Among the most concerning developments is the deterioration of the political rights and freedoms of opposition leaders and the press. In recent months:

Former Foreign Minister Prince Sirivudh was arrested and exiled on trumped up charges of plotting to assassinate Second Prime Minister Hun Sen;

Former Finance Minister Sam Rainsy—a persistent critic of government corruption, was expelled from the National Assembly and the FUNCINPEC Party;

A gathering of leaders of the Buddhist Liberal Democratic Party was attacked with a grenade;

Journalist and Khmer party member Thun Bunly was assassinated; and

Other journalists have been harassed and intimidated for criticizing government corruption and abuse, and few of these crimes have been properly investigated.

These incidents, and many others like them, suggest that Cambodia is in danger of slipping back into its old habits of repression. In addition, corruption is widespread in Phnom Penh, with many government officials directing money into their own pockets. Furthermore, Cambodia has emerged as a major center of heroin trafficking, and there is evidence that some government officials—including members of police and military units, have profited from this trade as well. The RGC, which has been certified as cooperating in our antinarcotics efforts, needs to do even more.

Finally, despite the Cambodian Constitution's requirement that the RGC safeguard the environment, the RGC has allowed massive deforestation to take place in many areas of the country. This environmental degradation, a serious concern in its own right, is compounded by three factors:

Unrestricted clear-cutting is threatening the agricultural livelihoods of numerous Cambodians, to the point where some communities have been destroyed by drought and floods, and famine is a serious concern;

Concessions granted to timber companies are often a means of lining the pockets of national and local officials, adding to the corruption problem; and,

Concessions granted to timber companies for logging in western Cambodia, where the Khmer Rouge still dominates, have enabled the Khmer Rouge to generate millions of dollars of income by charging the loggers passage fees.

The specter of the Khmer Rouge still haunts Cambodia. That is why it was particularly disturbing in recent weeks to see that the RGC obtained from King Sihanouk an amnesty for Ieng Sary, the former Deputy Prime Minister of the Khmer Rouge and Pol Pot's brother-in-law.

It should be of great concern to Members of the Senate that a former Khmer Rouge leader, who participated in the genocide of some 2 million Cambodians—rather than being charged as a war criminal, as he should be, and as Congress has endorsed in the Cambodian Genocide Justice Act—is being allowed to participate fully in Cambodia's political life.

That is the spirit in which this resolution is offered, Mr. President. The United States has provided much assistance to Cambodia to aid in its recovery from civil war. We are now extending MFN status to them, another step forward in our relations.

But we should not allow that progress to obscure our understanding of the serious and troubling trends beginning to emerge in Cambodia. I hope this resolution will help the administration send the appropriate message of concern over these trends.

Mr. ROTH. Madam President, I rise today to express my thanks to my colleagues for their unanimous support in passing this resolution expressing the Senate's concerns about a series of disturbing developments in Cambodia.

Recently, Congress sent to the President H.R. 1642, a bill to extend permanent most-favored-nation tariff treatment to Cambodia. Congress made it clear in that legislation that it was doing so, in part, because it believes normal trade relations with Cambodia could serve to improve the conditions in Cambodia.

The resolution we have passed today is meant to send a parallel message—that the United States Senate remains deeply concerned about problems in Cambodia, and will continue to follow events in that country closely.

Since 1991, the international community has contributed almost \$2 billion to peacekeeping and national reconstruction to Cambodia. Multilateral aid also provides over 40 percent of the Royal Government of Cambodia's annual budget.

While the U.N.-sponsored election of 1993 brought a brief period of freedom and democratic improvement to Cambodia, recent developments on a variety of fronts suggest that Cambodia's future remains precarious at best.

Most recently, the Royal Government of Cambodia, without appropriate prior consultation with the Cambodian Parliament and despite protestations from Cambodians residing both inside the country and overseas, obtained from King Sihanouk an amnesty for Ieng Sary. This man, brother-law to Khmer Rouge leader Pol Pot, served as Deputy Prime Minister of the Khmer Rouge during the period when that loathsome group murdered as many as two million innocent Cambodians. Despite his position during that period, Ieng Sary has—incredibly—disavowed any responsibility whatsoever for the genocide perpetrated by the Khmer Rouge.

Just as appallingly, the amnesty granted Ieng Sary may allow him to fully reintegrate into Cambodian society. In fact, he appears likely to form a political party that he will lead into the local and national elections slated for 1997 and 1998.

Among other things, this resolution states that in compliance with the Cambodian Genocide Justice Act, the United States should support efforts to bring to justice members of the Khmer

Rouge for their crimes against humanity, that the President deem it appropriate to encourage the establishment of a national or international criminal tribunal for the prosecution of Ieng Sary and to provide that tribunal with any information available pertaining to Ieng Sary's alleged involvement in the Cambodian genocide.

The resolution also notes that Prince Norodom Sirivudh, former Deputy Prime Minister and Foreign Affairs Minister was arrested by the current government under trumped up charges of fomenting a plot to assassinate the Second Prime Minister, Hun Sen. After a summary trial without proper defense, Prince Sirivudh was found guilty by Hun Sen-appointed judges and was sent into exile in France.

Another prominent opposition leader, former Finance Minister Sam Rainsy was expelled from the coalition Funcinpec Party and the National Assembly for having criticized the RGC for its lack of transparency in its business deals with foreign firms. Since his expulsion, several members of his party have been murdered.

A number of members of another opposition party, the Buddhist Liberal Democratic Party of Cambodia, headed by former Prime Minister Sonn San, died as a result of a grenade attack during that party's national convention.

In addition, several editors and reporters from opposition newspapers have been assassinated. Currently, not one of these assassination cases has been solved.

Corruption in Phnom Penh is rampant and Cambodia has emerged as a major heroin trafficking center in Asia. Finally, in contravention to the Cambodian Constitution, the RGC has permitted deforestation and timber exploitation on such a massive scale that the agricultural livelihoods of enormous numbers of Cambodians are now threatened.

Madam President, all of us in this Chamber want Cambodia to become as swiftly as possible a peaceful, stable, prosperous, free and democratic member of the community of nations. The horrors the people of Cambodia have endured are beyond comprehension. Their resilience in the face of genocide, however, is a tribute to the true character of the Cambodian people. Mr. President, in adopting this resolution, we send an unmistakable message of support to the Cambodian people as they do the hard work of support to the Cambodia people as they do the hard work of restoring and renewing their country.

Mr. NICKLES. Madam President, I ask unanimous consent that the committee amendment be agreed to, and the resolution be agreed to, the amendment to the preamble be agreed to, the preamble, as amended, be agreed to, the amendment to the title be agreed to, and the motions to reconsider the previous actions be laid upon the table, en bloc, and that any statements relat-

ing to the resolution appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The resolution (S. Res. 285) was agreed to.

The preamble, as amended, was agreed to.

The resolution, as amended, with its preamble, as amended, was agreed to, as follows:

[The resolution was not available for printing. It will appear in a future issue of the RECORD.]

The title was amended so as to read:

A resolution expressing the sense of the Senate that enforcement of the Cambodian Genocide Justice Act, improvements in Cambodia's record on human rights, the environment, narcotics trafficking and the Royal Government of Cambodia's conduct should be among the primary objectives of the United States in its relations with Cambodia.

WAIVING TEMPORARILY THE MEDICAID ENROLLMENT COMPOSITION RULE

Mr. NICKLES. Madam President, I ask unanimous consent that the Finance Committee be discharged of H.R. 3871, and further, the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3871) to waive temporarily the Medicaid enrollment composition rule for certain health maintenance organizations.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Madam President, I ask unanimous consent that the bill be deemed read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3871) was deemed read the third time, and passed.

JOINT FEDERAL-STATE COMMISSION ON POLICIES AND PROGRAMS AFFECTING ALASKA NATIVES

Mr. NICKLES. Madam President, I ask unanimous consent that the Senate immediately proceed to the consideration of H.R. 3973, which is currently at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3973) to provide for a study of the recommendations of the Joint Federal-State Commission Policies and Programs Affecting Alaska Natives.